



# Economic Security

## *The Challenge*

Even before the earthquake, Haiti faced significant challenges to economic security. The World Bank reported that the majority of businesses operate in the informal sector, employing approximately 80 percent of the total workforce. The Haitian economy continues to be primarily driven by these informal micro, small and medium-sized enterprises (MSMEs), which generate up to 90 percent of new jobs. However, informal MSMEs have difficulties accessing financing from formal institutions, and are thus limited in their ability to grow. The wide-scale infrastructure damage caused by the earthquake further exacerbated the situation, disrupting businesses and destroying stores and other infrastructure. The most recent estimates indicate that 40 percent of the Haitian population is unemployed.

## *USG Strategy*

Economic security is predicated on people having secure livelihoods. The U.S. Government (USG) is helping the Haitian government in its goal of creating jobs, with a corresponding increase in household incomes, savings, and assets—resulting in increased economic security. To achieve this goal, we are supporting policy reforms to make establishing and doing business in Haiti simpler, providing technical assistance and vocational training, and increasing access to capital.

## *Accomplishments*

The U.S. Department of the Treasury is providing technical assistance to the Ministry of Finance to improve budgeting, tax collection, and debt management in the public sector. The U.S. Agency for International Development (USAID) is carrying out the private sector USG strategy by creating jobs in targeted sectors and increasing access to capital from formal sources to stimulate growth and job opportunities. So far, we have:

- Supported the creation of the Haiti Apparel Center (HAC), which trained more than 1,900 machine operators, mechanics, and inspectors this past year, 41 percent of whom were women.
- Provided financing valued at nearly \$10 million to a total of 46 microfinance institutions and financial cooperatives, which support underserved populations and MSMEs in several sectors—including agriculture.
- Provided more than 7,860 agricultural loans to farmers for coffee, mango, and cocoa production, allowing farmers to improve crop production and access markets directly.
- Leveraged private capital from financial institutions for the disbursement of 560 loans valued at \$5.1 million since the earthquake in key areas of post-earthquake recovery, including agriculture and construction.
- Partnered with the Bill & Melinda Gates Foundation to launch the first mobile money campaign in Haiti—which allows Haitians to conduct person to person transactions with their cell phones. As of mid-2011, more than 150,000 clients had registered to use mobile money services, and a network of 750 new mobile money agents were functioning in Haiti.